



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

8-11

December 30, 1996

To: Board of Directors (Executive Committee--Action)

From: General Manager

Edward J. Meay III

Submitted by: Gary M. Snyder
Chief Engineer

Wayne Lee Bonales for Snyder

Subject: Business Development Program: Approval to Respond to Black and Veatch's Request for Metropolitan Engineering Services

RECOMMENDATION

It is recommended that the Board of Directors authorize Metropolitan to provide limited engineering services to Black and Veatch pursuant to a contract approved by the General Counsel, and authorize all ancillary activities necessary to implement the contract.

EXECUTIVE SUMMARY

Periodically, Metropolitan receives requests for a variety of services from the consulting community as well as from water agencies. Prior to the Board-Adopted "Initial Policy Principles for Resource (Business) Development Programs" in May 1996, staff independently assessed the individual requests and, on occasion, provided the services on an informal basis. Metropolitan's new policy clarifies the assessment criteria, thereby providing for a consistent application of guidelines. This initial policy also requires Board of Directors' approval for nonmember agency services.

The request for services from Black and Veatch is the first request to be processed under the new policy. It is a short duration time-and-materials contract (including all expenses) employing Metropolitan's unique expertise in ozonation. Engineering staff is requested to review the technical documentation pertaining to the ozonation process of a new Canadian treatment plant for the Vancouver Water Agency. A meeting in Vancouver, Canada, may be required. This opportunity provides Metropolitan with an estimated gross revenue of \$8,000.

PROPOSAL TO PROVIDE SERVICES

- Requester:** Black and Veatch, Consultants
- Services Requested:** Engineering review of technical documents pertaining to the ozonation process for a new water treatment plant in Vancouver, Canada. The review may be completed in Los Angeles, however, one meeting in Vancouver, Canada, may be required. Black and Veatch is under contract to Vancouver Water Agency.
- Date Required:** Work to be completed by January 31, 1997.
- Resources Required:** No new resources. A specialized engineer from the Treatment Plants Branch of the Engineering Division will provide the 60 to 80 hours of labor.
- Agreement Format:** Black and Veatch will subcontract for Metropolitan services. (Time-and-Materials subcontract.)
- Risk and Mitigation:** (1) Mitigated monetary exchange rate risk: contract in US \$
(2) Mitigated professional risk: review of technical documents.
(3) Mitigated business risk: Black and Veatch is financially healthy.
- Contract Value:** Approximately \$8,000.

**COMPLIANCE WITH BUSINESS DEVELOPMENT
POLICY AND GUIDELINES**

- (1) Metropolitan is uniquely qualified to fill this need. This was an unsolicited request from Black and Veatch.
- (2) Broadened Technical Knowledge. Metropolitan possesses unique expertise in water treatment using ozone. This work will enhance our expertise.
- (3) Enhanced Business Relationships. As subcontractor, Metropolitan is in a unique position to observe firsthand the business processes of a well-known profit entity and to demonstrate value resulting in future contracts.
- (4) Business Case. Limited size and duration of contract. Full recovery of Metropolitan's direct and overhead costs.